

Queensland Parliament – Legislative Assembly

Response to the *Fly in, fly out and other long distance commuting work practices in regional Queensland* inquiry

Australian Mines & Metals Association (AMMA)

May 2015



AMMA is Australia's national resource industry employer group, a unified voice driving effective workforce outcomes. Having actively served resource employers for more than 97 years, AMMA's membership covers the entire resource industry value chain: exploration, construction, commercial blasting, mining, hydrocarbons, maritime, smelting and refining, transport and energy, as well as suppliers to those industries.

AMMA's dedicated work is to ensure that Australia's resource industry is an attractive and competitive place to invest and do business, employ people and contribute valuably to Australia's well-being and living standards.

The resource industry is and will remain a major pillar of Australia's economy. The sector directly contributed \$155 billion to Australia's GDP in 2013-2014 and, factoring in the full direct and indirect effects of resources activity, generates about 18 per cent of GDP in total. It is forecast that Australian resources will comprise the nation's top three exports in 2018-19.

AMMA members across the resource industry are responsible for a great deal of employment in this country. In 2013-2014, the industry directly employed 269,000 people in resources extraction and 190,000 people in resources-related construction and manufacturing – directly representing 4 per cent of total employment in Australia. When considering the flow-on effects of our sector, an estimated 10 per cent of the national workforce, or 1.1 million Australians, are employed as a result of the resource industry.

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TABLE OF CONTENTS

| | |
|--|----|
| INTRODUCTION..... | 1 |
| THE ORIGINS OF FIFO | 4 |
| THE IMPORTANCE OF FIFO | 5 |
| HEALTH IMPACTS, FOCUSSED ON MENTAL HEALTH IMPACTS OF FIFO, AS WELL AS MENTAL HEALTH INITIATIVES FOR FIFO WORKERS AND THEIR FAMILIES..... | 6 |
| PROVISION OF HEALTH SERVICES | 10 |
| RESOURCE INDUSTRY MENTAL HEALTH INITIATIVES | 11 |
| PROJECTED GROWTH OF FIFO | 11 |
| PRICE OF HOUSING, AVAILABILITY AND ACCOMMODATION..... | 12 |
| ROSTERS AND UNION RIGHT OF ENTRY | 14 |
| COMMUNITY SUPPORT AND INVESTMENT | 18 |
| HOW TO PROCEED | 20 |

INTRODUCTION

1. AMMA welcomes the opportunity to provide a submission to the Queensland Legislative Assembly – Infrastructure, Planning and Natural Resources Committee in relation the inquiry into Fly in, fly out (FIFO) and other long distance commuting work practices in regional Queensland.
2. AMMA's submission is based on feedback received from member companies that have operations in Queensland and rely on FIFO working arrangements.
3. The Committee should note that this submission, particularly on the terms of reference (ToR) addressing mental health, should be considered in conjunction with AMMA's 2014 submission to the Western Australia Legislative Assembly – Education and Health Standing Committee with regard to the inquiry into mental health impacts of FIFO work arrangements¹ and AMMA's subsequent 2015 submission to the Western Australia Legislative Assembly – Education and Health Standing Committee – Inquiry into mental health impacts of FIFO work arrangements Discussion Paper².
4. The resource industry and the use of FIFO operations is critical to the Australian and particularly the Queensland economy. According to a March 2015 KPMG report titled *Workplace Relations and the Competitiveness of the Australian Resources Sector*:
 - a. "The resource sector directly generates 10% of GDP (\$155 billion) and directly and indirectly generates 18% of GDP."
 - b. "The resource sector accounts for 24 per cent of all corporate tax receipts in Australia and royalties paid by the resource sector in 2013-14 were estimated to be \$10.1 billion across all States and Territories."
 - c. "The resource sector directly employs 4% of the national workforce, and 10% when you include the indirect workforce."
5. As noted by KPMG, the Queensland resource sector plays an important role in contributing to the overall success of the national resource sector:
 - a. "In 2013-14, the Queensland Resource sector Gross Value Added contribution was 21% of Australia's GDP (or \$32.5billion).

¹ <http://www.amma.org.au/help/mining-reform/mining-publications/submission-to-the-western-australia-legislative-assembly-education-and-health-standing-committee-inquiry-into-mental-health-impacts-of-fifo-work-arrangements/>

² <http://www.amma.org.au/help/mining-reform/mining-publications/response-western-australia-legislative-assembly-education-health-standing-committee-inquiry-mental-health-impacts-fifo-work-arrangements-discussion-paper/>

- b. The Queensland resource industry employs over 26% of the national resource industry workforce or +124,000 workers³."
6. Queensland's prominence as a resource state is further forecast to intensify with Australia predicted to become the world's largest exporter of LNG by 2020, with a material contribution from Queensland. By 2020, LNG is forecast to be Australia's second most valuable resources and energy export.
7. Notwithstanding opposition from some quarters, as AMMA continues to highlight, FIFO work practices are an essential mode of operation for numerous projects in the Australian resource industry and such working arrangements suit both employers and employees.
8. Australia is the fifth largest country in the world, benefitting from substantial natural high-grade resources which have been integral to Australia achieving the status of an industrialised (OECD) economy and one of the world's highest living standards, within the space of 230 years of European settlement. However, our bounty of resources is not proximate to where the majority of Australians live – this is simply a reality which requires the use of special working arrangements and sometimes living arrangements which are not part of the extraction of similar resources in some competing resource economies. These living and working arrangements also differ from those of most other Australians who commute to and from work daily.
9. Remote work is not for everyone and FIFO work is not for everyone, and there can be a flip side to the benefits this work brings for a minority of employees, including problems arising from the reliance on high incomes, relative capacities to live away from family and community, and having to adjust to rosters that require periods of days or weeks away from one's place of principal residence.
10. However:
 - a. The resource work that FIFO brings to our country is benefiting all Queenslanders through economic growth, royalties and taxes.
 - b. Many tens of thousands of Queenslanders work FIFO and do so successfully.
 - c. Many tens of thousands of Queensland families rely on the incomes and opportunities that FIFO work provides.
 - d. Many Queensland communities, including remote and Indigenous communities, are benefiting from resource operations being undertaken in their regions, based on FIFO work arrangements.
11. It is not clear to the industry that there is any systematic or wide-ranging wrong or concern that needs to be addressed in regard to FIFO work, nor that repeated inquiries at the federal and state level in recent years have been warranted.

³ [http://www.amma.org.au/wp-content/uploads/2015/03/KPMG WR and the competitiveness of the Australian resources sector.pdf](http://www.amma.org.au/wp-content/uploads/2015/03/KPMG_WR_and_the_competitiveness_of_the_Australian_resources_sector.pdf)

12. That said, given the instigation of this inquiry, it is appropriate that the industry properly engage with it and support the Committee members in understanding the industry and its work arrangements, and to separate the FIFO facts from fictions.
13. There is a clear imperative for sensible, proportionate and properly considered policy consideration in this area in relation to the types of working practices that assist in utilising what would otherwise be non-commercial resource operations. Such a proper consideration may well not favour recommendations for any actions or interventions in this area, and for a largely status quo position on regulation.
14. Queensland is not unique in utilising FIFO (and similar arrangements such as DIDO) workforces. It remains a legitimate and important feature of operations both domestically and internationally.
15. To help inform this important inquiry, in April 2015 AMMA conducted a survey of its members that utilise FIFO operations in Queensland on key issues around FIFO and other working arrangements. Responses to that survey appear throughout this submission to illustrate the breadth of initiatives and practices employers have in place in relation to these important working arrangements.
16. AMMA strongly encourages this Committee to ensure that the inquiry is informed by robust data and evidence. AMMA urges caution in attempting to make conclusions on the causes of complex mental health outcomes experienced by workers in this industry sector and for those workers who are in a FIFO working arrangement. As this submission highlights, the resource industry strives to provide services to support employees, their families, the broader community and the industry.
17. Whilst the Committee is considering mental health issues, including mental health awareness and prevention matters in the context of the Queensland FIFO resource sector, as per the inquiry terms of reference, such issues are not unique to FIFO, are not unique to the resource sector and remain a concern across the community generally.
18. Mental health issues do not discriminate and are a cause of concern throughout the community for all policy makers, across all state boundaries, occupations and industry sectors.
19. AMMA is concerned that this inquiry is targeting the use of FIFO work practices, particularly by those organisations with a high non-resident workforce, ostensibly on the basis of concerns for communities proximate to the operations. However, feedback from AMMA members is that they operate with 90%+ FIFO largely in regions where a mine is in excess of 80kms away from a community. Thus, assumptions of a proximate or local community near substantial FIFO operations need to be carefully scrutinised.

20. For such employers:
- a. Operating with a FIFO workforce is the only legitimate and safe way their workforce can arrive at work and go home safely from work.
 - b. These organisations have a sound rapport with the local community and are well-regarded by their respective regional councils.
 - c. If FIFO was restricted or banned these mines would close down. This would have devastating implications for the FIFO workers themselves as they would be unemployed. It would impact on all of those FIFO workers' families; all the indirect people that have an income reliant on FIFO workers will lose their jobs⁴; it will mean that in-kind and financial support will not be provided to local communities; and that regional, state and federal tax receipts will significantly fall, and fall at a time when our economy teeters and our budget is seriously strained.
21. Organisations spend a considerable amount of time, money and resources in recruiting the right applicant; from interviewing, background checks (references and police), undertaking various fit-for-purpose psychological, psychometric and aptitude tests (personality, numerical, verbal, abstract) physical (health) tests, etc.
22. Ultimately, all organisations have the right to select their own workforce based on their strategic and commercial considerations, subject only to avoidance of long prohibited and well understood anti-discrimination prohibitions. In our legal system, employers have the right to select the best candidate based on skill sets, experience, cultural fit, price, productivity amongst other measures etc, and this is a matter for the judgement of the business.
23. This is not a freedom that should be disturbed, particularly not lightly, speculatively or based on political considerations. We would be very concerned were this in any way included in the outcomes or recommendations arising from this inquiry.
24. It would in particular not be appropriate that third parties (those not part of the employment relationship) seek to bypass this process and mandate that a certain percentage of employees be employed as they have a principal place of residence located within a certain geographical boundary.

THE ORIGINS OF FIFO

25. It is important for the Committee to appreciate that FIFO work practices are not a new phenomenon. Such practices had their origins during the late 1940s in the offshore oil sector in the Gulf of Mexico. As the offshore oil industry developed around the world in regional and remote areas, FIFO work practices expanded.

⁴ As a guiding principal there are approximately three indirect workers for every direct worker employed in the resource industry

26. In Australia, FIFO work practices generally commenced in the 1960s with rapid growth seen since the 1970s as air travel became more affordable and available.
27. Historically, Australia's mining operations were predominantly residential and based on the idea of establishing a mine and then a town around the mine, such as at Mount Isa in Queensland, Broken Hill in NSW, Savage River in Tasmania and Goldsworthy in Western Australia. However, in time this became more difficult and less suited to the needs of both employers and employees (and their families), and the remoteness of many operations precluded the development of new towns.

THE IMPORTANCE OF FIFO

28. The following comments from AMMA members illustrate how vital FIFO working arrangements are to the resource industry, with such arrangements being critical to ensuring the continuity of many operations. In response to the proposition of what would happen if a member's Queensland operations could not use FIFO work arrangements, members responded with:

"The mine site would be closed down."

"Decrease in retention. Increased costs due to sourcing labour. Remote sites would not be viable."

"We would be unable to service our remote clients. As a maintenance company we are required to go to work on remote sites. If our specialised workforce cannot be found in the local areas surrounding these sites, we would not be able to complete our work, and nor would any other competitors in the market."

"Loss of skilled employees from current workforce leading to a decrease in production and loss of ability to ramp up workforce to meet future market demands or commission projects."

"It would make it extremely difficult to complete projects as we tend to operate over extended periods of time depending on the size of the prospect."

"Employees who currently utilise these arrangements would lose their jobs which would also negatively impact on skills and qualifications of workers generally and labour costs would increase due to decreased labour competition."

"We would definitely close as travel is [significant] as well as the township cannot support our workforce as well as other mines in the district in housing, but also other facilities required by families."

"The mine would cease to operate."

“Our ability to manage and operate our operations would be severely compromised. We would also have difficulty in finding suitable labour from the remote and regional locations where we operate.”

“We would not be able to resource any of our projects that are in remote locations. Individuals are not going to move to remote locations where projects are located if the work is uncertain, or not for a substantial period of time.”

“We would not function without FIFO as some driving distances are simply too far based on remoteness.”

“The mine would not be able to operate due to the remote location of the site. [The mine] is approximately 250klms in a direct line [from a major town] but six hours by road if driving on most suitable roads.”

29. This feedback shows that FIFO is essential to the viability of many Queensland resources operations. FIFO is imperative to meet the industry's need for skilled labour, efficacy in the workplace, productivity and flexibility in what are challenging market conditions.

HEALTH IMPACTS, FOCUSING ON MENTAL HEALTH IMPACTS OF FIFO, AS WELL AS MENTAL HEALTH INITIATIVES FOR FIFO WORKERS AND THEIR FAMILIES

30. The resource industry places the utmost importance on safety and safe work practices.
31. Safety is commonly recognised as a core or guiding principle throughout companies in the industry. Mental health and wellbeing fall under the category of health and safety, and AMMA members and AMMA itself are taking significant steps to promote greater mental health awareness and support across resources organisations.
32. However, mental health issues are broader societal issues, and the resource industry is engaging with this important area as any industry should, particularly one that employs young to median aged males who are at particular risk.
33. There is no evidence of mental health issues being more pronounced in the resource sector (or occupations associated with the resource sector), as compared to other industry sectors, particularly when one considers the information published by Safe Work Australia on mental health claims.

34. A 2013 Safe Work Australia (SWA) report titled “The Incidence of Accepted Workers’ Compensation Claims for Mental Stress in Australia” showed that the mining industry accounted for 0.6% of the mental stress claims across all industries⁵. Notably, mental stress claims by industry appear to be significantly higher in the health and community services sector (20.5% of mental stress claims), followed by education (16%) and personal & other services (13.6%).

Table 4 Mental stress claims: number, percentage and frequency rates by sex and industry, 2008–09 to 2010–11p combined

| Industry | Number of claims | | | % | Frequency rate ^(a) | |
|---|------------------|---------------|---------------|--------------|-------------------------------|-------------|
| | Males | Females | Total | | Males | Females |
| Health & community services | 1 294 | 4 557 | 5 852 | 20.5 | 103.0 | 112.9 |
| Education | 12 18 | 3 336 | 4 554 | 16.0 | 92.8 | 125.7 |
| Personal & other services | 2 362 | 1 504 | 3 866 | 13.6 | 238.5 | 199.2 |
| Government administration & defence | 1 110 | 1 635 | 2 744 | 9.6 | 78.8 | 119.9 |
| Retail trade | 708 | 1 348 | 2 056 | 7.2 | 20.9 | 46.8 |
| Property & business services | 788 | 1 216 | 2 004 | 7.0 | 20.4 | 47.3 |
| Transport & storage | 1 503 | 384 | 1 887 | 6.6 | 75.5 | 72.8 |
| Manufacturing | 841 | 464 | 1 305 | 4.6 | 20.0 | 38.2 |
| Accommodation, cafes & restaurants | 437 | 636 | 1 074 | 3.8 | 41.7 | 58.8 |
| Finance & insurance | 183 | 617 | 800 | 2.8 | 16.7 | 59.8 |
| Wholesale trade | 340 | 331 | 671 | 2.4 | 19.0 | 50.4 |
| Construction | 412 | 122 | 534 | 1.9 | 10.8 | 32.9 |
| Cultural & recreational services | 201 | 227 | 428 | 1.5 | 29.9 | 43.8 |
| Communication services | 78 | 87 | 165 | 0.6 | 9.1 | 24.5 |
| Mining | 126 | 32 | 158 | 0.6 | 12.2 | 19.6 |
| Electricity, gas & water supply | 110 | 41 | 151 | 0.5 | 23.3 | 33.4 |
| Agriculture, forestry & fishing | 79 | 60 | 139 | 0.5 | 9.5 | 28.1 |
| Total mental stress claims^(b) | 118 46 | 16 650 | 28 496 | 100.0 | 39.4 | 81.1 |

(a) Calculated as claims per 100 million hours worked.
 (b) Includes claims where industry was not stated.

35. Further, there is no evidence of particular causation between FIFO or FIFO rosters and mental health concerns or illnesses.
36. Notwithstanding the above, mental health (for both FIFO and non-FIFO workers) is a recognised concern for employers in the resource sector. Proper mitigation strategies are widely implemented to ensure risks to workers are reduced to the extent possible. Other risks such as fatigue and drug and alcohol use are continuously monitored and addressed. Resource sector employers consider workplace health and safety to be front and centre of their operations, and mental health is part of those considerations.
37. You will see from feedback directly provided by resource companies below that employers recognise the issue of mental health and are implementing various strategies, practices, processes and controls in response to it including:

⁵ <http://www.safeworkaustralia.gov.au/sites/SWA/about/Publications/Documents/769/The-Incidence-Accepted-WC-Claims-Mental-Stress-Australia.pdf>

- a. Educating staff on mental health (awareness raising).
 - b. Destigmatising the issue of mental health.
 - c. Promoting employee assistance programs (EAPs) where employees can seek anonymous assistance.
 - d. Communicating / training staff on 'warning signs' of someone that may be displaying the traits of someone living with a mental health issue.
 - e. Implementing preventative measures to mitigate potential mental health concerns.
 - f. Implementing, embedding, communicating and training staff on internal organisational mechanisms (typically advised by medical professionals or experts in mental health e.g. beyondblue) on what employees should do if they recognise someone displaying the traits of someone affected by a mental health issue (detective controls).
 - g. Employing recovery and 'back-to-work' initiatives.
38. Specific examples of what resource employers operating in Queensland are doing include:

"Actively promote EAP services, which are available to employees and their families. EAPs are typically available 24/7."

"EAP programs which include interfacing with employees' families by sending an annual letter home to the families to explain the uses EAP can serve, who can access it and how."

"Health and wellness programs covering topics such as:

- *Healthy relationships*
- *How to manage night shifts*
- *Managing your mood through diet and exercise*
- *Build your resilience."*

"Camp-based strategies including:

- *Dietician planned menus in the camps with a system to indicate healthy choices and portion size*
- *Internet access*

- *Common areas for socialising*
- *Onsite gyms*
- *Roster-based room allocations*
- *Fatigue rooms to access pre and post roster."*

"Survival Guides for Mining Families which cover:

- *Helping children to cope with FIFO*
- *House rules for happy homes*
- *Sex and FIFO relationships*
- *Mining dads and parenting*
- *Relocating*
- *The art of making new friends*
- *Women in mining."*

"Share a day offered where an employee's direct family members can visit site to have an understating of the work environment etc."

"EAP offered to employees and their direct family members."

"Lifestyle coach available."

"24/7 access to a nurse."

"FIFO Families calendars to assist children in understanding the movements of their FIFO parent."

"FIFO Families support network membership which provides internet access to informative blogs, online chat forums, referral services and via social media such as Facebook and access to over 55 social support groups across the country who meet once a month in local parks and other venues and are run by local FIFO Families volunteers."

"Undertake mental health first aid training, promote peer support and a range of health promotion initiatives that address mental health and wellbeing. We also link into a range of external initiatives such as Movember to reinforce the message."

"Provide employees with high level of amenities, catering, support resources (internet, mobile phones, computers etc) to facilitate easy communication with family. There are on-site health services on remote sites."

"Circulate material for FIFO Families and beyondblue."

"R U Ok? Days."

"Implemented mental health supervisor training programs."

"Implemented pilot programs to frontline employees (identifying mental health triggers)."

"Implemented a three year wellness strategy."

"Employ an onsite psychologist and physician."

"Happiness workshops."

"Three stage sleep workshops."

"Promoting/empowering mental health champions within our business."

"Resilience workshops."

"Implemented return to work strategies for those affected by mental health issues."

PROVISION OF HEALTH SERVICES

39. Consistent feedback from resource employers operating in Queensland is that health services are readily available to FIFO and non-FIFO employees.
40. Common feedback provided by members is that they have a medically trained officer on-site on every project.
41. The greater the distance from a mine to a town (with health services) was typically correlated with more advanced health services provided by the employing organisation on-site.
42. That being said, common feedback from members is that they take into consideration the capacity of regional health service facilities, and will make alternative arrangements to supplement local facilities (e.g. employ their own paramedic and nurse where none is available in local communities).

RESOURCE INDUSTRY MENTAL HEALTH INITIATIVES

43. A number of resource industry organisations have for some time recognised the importance of the mental health of their employees working in all facets of their operations and sought to provide support through EAPs and a range of other initiatives (including those particularly geared at getting through to males).
44. In December 2014, AMMA hosted a resource industry executive leadership round table, led by The Hon Jeff Kennett AC, Chairman of *beyondblue*. The round table focused on mental health and wellness of resource industry employees and how working with *beyondblue* might renew and make even more effective the commitment of resource industry employers to the mental health and wellbeing of all industry participants.
45. Employers at the roundtable recognised mental health (for FIFO and non-FIFO workers) as a significant issue for the community. The roundtable also provided an opportunity for executives to share mental health concerns, ideas and initiatives, as well as opening up channels and external programs between company executives and external mental health experts (e.g. *beyondblue*, FIFO families).
46. Following the roundtable, the industry is seeking to translate this into further actions. AMMA has initiated a Resource Industry Mental Health Working Group, with the goal of fostering awareness in the resource business community about new mental health initiatives, cultural change, on-site awareness programs and other continual proactive management measures. This is in addition to discussing emerging mental health trends and issues, such as overcoming the stigma often associated with beyond open about having mental health issues. AMMA will also provide support and link those in need with services.

PROJECTED GROWTH OF FIFO

47. The life of mines and the reserve of a particular deposit can differ. This can be subject to change based on a number of variables including changes in commodity prices, changes in environmental reform, improvements in extraction techniques, government policy impacting FIFO operations, sovereign risks, changes in world demand and supply levels, etc.
48. Essentially, any projected increase / decrease in the use of FIFO working arrangements is contingent on a large number of factors. One of these factors is our policymakers, state and federal, being mindful of the importance of ensuring Australia is a positive and competitive place to do business, invest and create jobs.
49. Feedback received from members is that FIFO will be required in their operations for periods ranging from a further three months to a further 50 years. In the case of the operations projecting 50 years of FIFO, they are in excess of 200kms away from a town so FIFO is the only way of getting to the mine, and the mine is not profitable enough to create or sustain a residential community.

50. Summarising in order to assist the committee, members are expecting for the next three years a consistent use of FIFO which is contingent on future resource projects being approved in Queensland.
51. Given that mines are getting older (getting closer to rehabilitation and restoration), if exploration decreases and mine approvals fall in Queensland, the net effect will likely detract from the overall use of FIFO operations. This will not only mean a loss of FIFO jobs, it will mean a loss of residential jobs and a loss of regional, state and federal revenue.
52. The message in all this is that the Committee should be cautious and balanced in its recommendations and be mindful of what any recommended approaches may mean for doing business and attracting resource investment in Queensland. An outcome which reduces the investment attractiveness for Queensland would not be desirable.

PRICE OF HOUSING, AVAILABILITY AND ACCOMMODATION

53. The price of housing in remote areas follows the same basic market determinants as those in capital cities (demand and supply). However, price fluctuations (both positive and negative) typically follow the longer-term cyclical and respective commodity price movement. Given this and highly varying and sometimes relative sudden changes in demand, this causes greater elasticity in price movements in a regional area compared with capital cities.
54. That being said, a number of AMMA member companies have built homes in areas local to a mine. For example, one member stated "we have constructed new housing in [regional Queensland] approximately 100 homes". This is just one example of many of organisations investing into established regional Queensland communities. Of course, this investment is creating jobs and injecting money into the regional communities beyond those directly employed in the resource industry.
55. Whilst there is a charming ideology of building or expanding towns and infrastructure in regional and remote areas close to commercial opportunities, it also poses significant risks.
56. The resource industry is cyclical and operations only have a certain life. Dependent on the economic reliance of the mine, if the mine ever goes into care and maintenance (for whatever reason) or when it shuts down, this can have significant implications for the economic and the social fabric of the local residents and the wider community in purpose built towns or areas. The risk of ghost towns, derelict areas or reduced house prices for existing residents is substantial.
57. AMMA recommends that if any policy recommendations are made around residential or non-residential workforces, including changes to FBT, these recommendations must be quantified, and specifically qualified against short-term

and long-term factors and modelled against “what-could-go-wrong” scenarios from a social and economic perspective to individuals, organisations (impacted by proposed policy changes), the community and the state.

58. We invite the Committee to recall the current impact on federal and state budgets of iron ore prices which have materially fallen below “conservative” budget estimates, and the impact on regional population, housing stock and prices. Queensland like Western Australia is not immune and is vulnerable to commodity price movements. Australia is a major resource producing country, however, in terms of demand, it is paramount to recall the risks of catastrophic changes in demand to considering any policies in this area.
59. This is important as the resource industry is at the moment underperforming against other industry indices, so any recommendations coming out of this inquiry must help make Queensland a more positive and supportive place to invest and do business.
60. As organisations compete for FIFO workers, camp quality is usually one of the key decision making factors targeted to attract employees, driving resource organisations to provide high quality accommodation and amenities. Examples below include some of the camp offerings made by AMMA members:

“Access to good camp and communal facilities.”

“Bar, mess, gym, fishing etc.”

“Health coordinators in place at camps.”

“Entertainment facilities in villages.”

“Telecommunications.”

“Wellness coordinators onsite.”

“Recreation rooms, gyms and wide screen TVs and telephones.”

“Healthy lifestyle programs.”

“Open door policies to discuss any issues with management.”

“Supportive, fostering work environment.”

“Training such as EEO, fatigue management.”

“External support information such as booklets on surviving FIFO for families.”

61. We urge all involved in this inquiry and Queensland MPs more generally to exercise caution and proportionality in all facets of this inquiry, and its aftermath. It would do a disservice to the industry, all of those who work in it and the state to indulge in some of the worst rhetorical excesses which have unfortunately typified some of the debate in this area, such as characterising FIFO as the “cancer of the bush”.

62. We recall with particular regret the 2013 comment of now Queensland Minister for Police, Fire and Emergency Services and Minister for Corrective Services, Jo-Ann Miller, to the effect that FIFO villages were “mining concentration camps”.
63. Quite rightly the inappropriateness and sheer insensitivity of this comment was quickly raised from all sides of politics. However, it is indicative of a wider problem, which is a tendency to generalise, emotionalise, and vastly exaggerate problems with FIFO work. There is an unfortunate tendency to over the top, even hysterical exaggeration in relation to FIFO work, and more broadly to downgrade the contribution of the resource industry to our community and economy.
64. Some people don't like FIFO operations or FIFO work for a myriad of reasons. We understand that, and recognise they will participate in this inquiry. This may include unions seeking to advance industrial agendas, or local governments pursuing other policy agendas. Some commercial interests would be advanced by restricting FIFO, and may argue from that perspective.
65. However, the challenge for the Committee is to rise above the rhetoric and hysteria which can creep into this area, and ensure that any policy responses, recommendations or interventions (which we overwhelmingly say are not warranted) are correct, cool-headed, and based on proper evidence and evaluation.

ROSTERS AND UNION RIGHT OF ENTRY

66. There are a significant number of different rosters in operation in the resources industry (well in excess of 30), and it is common that one operation operates numerous rosters simultaneously.
67. There is no one-size-fits-all approach to rosters. Resource rosters on remote sites are driven by many factors including employee preference and logistical considerations such as:
 - a. Providing work / life balance.
 - b. Fatigue management.
 - c. Safety.
 - d. Flight and accommodation availability.
 - e. The availability of experienced, quality crews.
 - f. Industry standards for rosters.
 - g. Attraction and retention.

68. Below is what some AMMA members had to say about the drivers for rostering arrangements in a FIFO context:

"In our office and workshop locations the majority of staff are hired locally, we also use relocation where available. However, in the more remote areas it is extremely hard to find the appropriately skilled technicians we require locally. In these cases we will use FIFO as an option."

"Company operations are undertaken at various remote locations throughout Queensland."

"The workforce structure has evolved naturally due to past labour market pressures and employee preference for living in coastal and highly populated areas as well as the high cost of living in mining communities... We require a variety and skills and competencies to operate our plants and generally these skills are not available in remote locations and are limited amounts in regional locations. As such we find that these skills are more available in major capital cities and locations with much larger populations. Given we operate in remote areas there are no permanent towns within 100km of some plants and those that are near do not have the social infrastructure (schools, hospitals etc.) that are attractive enough for city based people to contemplate relocating."

"Our company advertises locally for all projects however there has never been sufficient, qualified candidates to fill the manning requirements of the projects. Construction projects are short term for a short duration e.g. maximum construction job is 3 years, and minimum construction job is 6 weeks. The manning requirements vary for each project i.e. having people rent/buy houses for the duration of the project is unrealistic."

69. Resource employers inform job candidates about the challenges of FIFO work. For example, organisations strive to engage with applicants for FIFO jobs in the following ways:

"Cover the detail of the roster and accommodation arrangements."

"We engage in conversation around the lifestyle."

"Information is shared in relation to the challenges of FIFO and also the support programs available."

"Our recruitment process provides both specific and general information about FIFO and includes references to external organisations such as FIFO families, EAP and our internal Employee Support services."

"We explain what FIFO work life is like, the facilities and resources available at site, support resources. We have also provided in some instances site visits so people can see firsthand what a FIFO work arrangement entails."

"We discuss the following: Remoteness. Facilities including phone and internet reception. Whether the candidate has performed FIFO work previously. Length of roster and project. Lay days and proposed hours of work on site."

"Requirements to be away from home, communication restrictions, work hours and expectations."

"We let them know the roster cycle, hours of work and a precise on the camp environment."

70. AMMA has been on the record for many years saying that FIFO is not for everyone. This is a critical point. FIFO work is not for everyone and one of the principal things we can do to support positive outcomes is to promote this realisation widely. The industry talks about the challenge of ensuring FIFO employees go into this type of work with their eyes open, with a mind to the personal and family impacts of periods away from home, and with realistic financial planning based on a recognition that inflated incomes may not last.
71. AMMA members have implemented over a significant period a number of proactive strategies to manage the challenges of FIFO work, with a focus on supporting workers in managing lifestyle and living away from home challenges.
72. Feedback received from AMMA members are that they are implementing mental health strategies suitable and tailored to the length of a swing.
- For instance, mental health schemes and support are tailored differently for an employee working 9 x 5 compared to 28 x 7 rosters⁶.
 - If a FIFO worker is vulnerable when undertaking a particular swing (for instance 8 x 6), there is a probability that they still may also be vulnerable to other swings (for instance 7 x 7)⁷.
 - Regardless of the swing, mental health initiatives and support is offered. However, as mentioned above, FIFO is not for everyone.
73. Feedback from FIFO workers indicates they prefer a variety of rosters depending on their individual circumstances. There is no single or preferred roster model. In addition, there is no mental health one-size-fits-all approach or leading practice solution or methodology that can be consistently adopted throughout the industry. Different rosters will impact on different employees differently and there is no basis for a generalisation or conclusion for or against different roster patterns.

⁶ Number of days on (working) x Number of days off (not working)

⁷ Number of days on (working) x Number of days off (not working)

74. Employers are well aware of the personal challenges FIFO work brings for all employees, as well as the particular challenges for some individuals and those in particular circumstances or with particular risks.
75. However, particular care needs to be exercised in relation to attributing any causation to particular employment practices or roster patterns, and the effect they have on families. The Committee needs to be scrupulously cautious in concluding that FIFO causes X, or a particular roster causes Y – in the absence of a proper evidentiary basis for such a conclusion.
76. Particular care also needs to be exercised in relation to any policy recommendations for any form of new or additional intervention or regulation. On any realistic consideration of what has been put before the Committee to date, a reliable evidence base does not exist for draft recommendations attempting substantial remedial change or “transformative” regulation.
77. AMMA is concerned that as this inquiry is considering the quality of accommodation villages and the effects on families of rostering practices, it may in turn, become a vehicle for third parties to pursue industrial relations agendas. The precedent for this is the recent Western Australian Inquiry into mental health impacts of FIFO work arrangements, which has been used by WA unions to pursue an expansion of their “right of entry” powers to enter workplaces. Specifically, unions want to enter and inspect employee accommodation and leisure areas, something specifically prohibited under long-standing industrial relations laws.
78. The WA Committee has received submissions recommending that camps/accommodation villages should be treated as a workplace for the purposes of union “rights” of entry. The core outcome of such a recommendation would be to promote other agendas rather than the mental health or well-being of employees. AMMA also foresees substantial concerns arising from union right of entry into campsites for the vast majority of employees who choose not to join trade unions.
79. To immediately counter these issues, there is no evidence that union entry into camps/accommodation villages would assist or support mental health. There are very few, if any, union officials who have appropriate qualifications or accreditation to provide counselling on such sensitive issues. We know of no union officials with accreditation as counsellors. Whilst some may have OHS qualifications, we are far from sure that this qualifies them to make any positive contribution regarding camp accommodation.
80. We also note the substantial professional registration obligations for psychologists and counsellors. Unions should not be seen as a de facto for professionally trained mental health specialists.

81. This union driven agenda also pays no regard to:
- a. The interests of non-members, who may object to having non-residents, not subject to the controls of the workplace, traipsing through their private living spaces. Few people want a sales pitch on the benefits of joining the union when trying to wind down after a hard shift at work, and even fewer would welcome being exposed to it in the non-working space of their camps/accommodation villages.
 - b. Privacy concerns and unique concerns for employees if union officials seek to enter their accommodation. An employee would be entitled to take a very dim view of anyone they have not authorised purporting to enter private quarters designated for their sole use, and it is foreseeable that union officials could face some very robust opposition in seeking to go anywhere near employee accommodation.
82. Under the Fair Work Act 2009 there are longstanding and strict conditions on union officials who seek to exercise right of entry into an employer's / occupier's premises. For example, under s. 498 of the Act, a permit holder may exercise a State or Territory OHS right only during working hours. Under s.493, a permit holder must not enter any part of the premises that is used mainly for residential purposes.
83. It is also relevant to recall the former Labor Government's Post Implementation Review of the Act found in relation to current restrictions on entering residential premises (footnotes omitted):

"Some unions submitted that restrictions on entry to residential premises should be removed. Employer groups submitted that the present provision should be retained or strengthened. The Panel notes that restrictions on entry to residential premises have been a feature of the right of entry provisions in previous legislation and considers the current provisions are appropriate."

COMMUNITY SUPPORT AND INVESTMENT

84. Far from being isolated or removed from local communities, resource industry organisations that utilise FIFO working arrangements continue to invest significant capital and in-kind support into the social fabric of the communities in which they operate.
85. Not only does this help to provide an organisation with a social license to operate, it contributes to the sustainable resilience of the local community.
86. Examples of benefits / assistance provided by member companies to remote communities include:

Funding apprenticeships to local residents (e.g. an organisation has arranged that through a panel at the local council that they will select and grant apprenticeships which will be funded by the mining company. The vocation

of the apprenticeship does not need to relate to mining or does not need to relate to the organisation funding the apprenticeship – vocations included individuals becoming a *butcher or hairdresser etc.*);

Local infrastructure – such as the up-keep of roads;

Investments in educational facilities and community infrastructure;

Utilising rental housing in some remote areas;

Partnerships with local indigenous groups;

Community awareness and training programs;

Financial donations to local community groups;

Assistance for community sporting teams events;

Allowing staff to volunteer in local communities during work time.

87. This investment in social infrastructure and programs (such as gymnasiums, recreation, health and lifestyle programs, education and community engagement etc.) is designed to increase the wellbeing and improve the quality of life and opportunities of the individuals, including FIFO workers, in the remote region as well as those living in local communities.
88. In addition to general support for communities in their local or regional areas, the national and Queensland resource industry is a proud and significant employer of Indigenous people and invests significantly in local Indigenous owned organisations.
89. When asked to describe their organisations' relationships with local communities where operations are based, AMMA members indicated:

"We are present in the local communities through sponsorships and local events, and using local suppliers when possible. Our local employees are great ambassadors for our company in the communities locally..."

"Low profile but positive, we provide local employment opportunities where possible"

"Our company has a strong community presence where we operate residential mines - i.e. engaging local workers... We note however that mine owners have a strong community presence..."

"Supportive..."

"Generally very good. We are very supportive and contribute to the social *infrastructure* and we aim to make every community in which we operate a better place".

HOW TO PROCEED

90. FIFO is important. It is a vitally important method of organising and facilitating work operations for the resource industry in Queensland; in Queensland alone our industry delivers 124,000 jobs and in 2031-14 had a Gross Value Added contribution of 21% of Australia's GDP (or \$32.5billion).
91. FIFO is also vitally important to employees, their families and the communities in which they operate. Tens of thousands of Queenslanders have opportunities and incomes they would not have if FIFO were not available or sufficiently accessible to make resource operations practical and commercial.
92. There is an increasing realisation that FIFO work is hard, and for everyone. Employers and employees increasingly cooperate to provide information and supports to help families and individuals manage some of the pressures of FIFO work for some people. AMMA is proud to be playing our part in promoting mental health awareness and practical measures to improve mental health outcomes in workplaces.
93. FIFO employees are not some abstract group remote from isolated employers making decision about them in glass towers in Brisbane. They are part of the community that is the resource industry, and the friends and workmates of those employing them.
94. Put simply, as employers, resource companies have values, know their people and care for their people. Examples and initiatives provided in this submission are testament to that.
95. We welcome any information and understanding this inquiry is able to develop, particularly we hope promoting facts and understanding amongst Queensland MPs from non-regional electorates, rather than the unfortunate prejudice and ignorance which has periodically typified comment in this area.
96. However we are very sceptical of this Committee seeking to make any remedial recommendations, or recommending changes or additions to the regulation of FIFO work.
97. Consideration would need to be given to at least the following before any remedial or regulatory change were recommended:
 - a. A case would be needed to be made out for change.
 - b. It would need to be established that a particular course of action would secure the change sought, and would be the best mechanism to affect the change sought.

- c. It would need to be established that all the impacts, both positive and negative, of any course of action were properly evaluated prior to its being recommended for further consideration.
 - d. In particular, it would need to be established that any recommendation for regulation or intervention would be more effective and secure a superior outcome to working with industry and recognising what the industry is already doing.
 - e. Indeed we expressly call on the Committee to take into account what can be achieved by working with and supporting the well-developed existing efforts of individual employers and the industry, rather than seeking to impose any additional regulation or requirements.
98. These standards have not been met in relation to some previous FIFO inquiries, and we urge the Queensland Parliament through this committee to deliver a level of rigor and accuracy which will lead to positive impacts in this area. It is particularly critical in a unicameral legislature, with only a single stage of committee consideration, that a committee such as this one deliver government and all MP's the best possible, most objective and evidence based consideration in this area possible.

Terms of Reference

99. The Committee was asked to consider the following issues (from the Terms of Reference). We say the Committee should conclude as follows in relation to each:
- a. The health impacts on workers and their families from long-distance commuting, particularly mental health impacts, and the provision of health services in mining communities:
 - i. Health and welfare are important concerns for all employees and families, however we do not know of any evidence to make reliable or generalised conclusions about the impacts of long distance community on physical or mental health outcomes.
 - ii. The Committee should conclude based on what we understand is before you, that FIFO is not for everyone, mental and physical health considerations are complex and multi-causal, but that the industry is doing more than perhaps any other to support its employees and their families in balancing health and working considerations.
 - iii. Furthermore, we call on the Committee to recognise the substantial efforts of the industry to support FIFO employees and their families, and to avoid making recommendations where the end sought is already being better secured through industry driven efforts.
 - b. The effects on families of rostering practices in mines using FIFO workforces:

- i. Again, health and welfare outcomes for families are complex, multi-causal and often contingent for each family concerned. Impacts on families, positive and negative, come through each member and their environmental and social interactions. The particular work arrangements for the breadwinners or one of the breadwinners is just part of this.
 - ii. Identical FIFO practices can impact on particular families differently, with identical roster patterns being viewed as positive by some families, and a concern for others.
 - iii. The Committee should recognise and support the efforts of employers to engage with employees on rostering and the organisation of work to the extent possible.
 - iv. The Committee should note with approval the engagement of the industry with, for example, organisations such as FIFO Families.
- c. The extent and projected growth in FIFO work practices by region and industry:
- i. This is very difficult to make conclusions on, although there is a tendency for more remote operations to be commercialised over time (that are more likely to require FIFO).
 - ii. However we do know that Queensland has substantial natural resources which can be developed if we create a more positive environment for doing business and securing investment in this State.
 - iii. We urge the Committee in making any recommendations to properly balance any concerns with the overarching imperative of attracting investment and jobs into this state.
 - iv. Regulation and red tape, particularly in an area such as rostering threatens to affect the commerciality of operations and therefore would weigh on decisions to invest in Queensland or elsewhere.
- d. The costs and/or benefits and structural incentives and disincentives, including tax settings, for companies choosing a FIFO workforce:
- i. The overwhelming feedback from AMMA members are that there are not “choices” in using FIFO to run most operations. Remoteness and the need for particular skills dictate that operations must be staffed using FIFO arrangements.
 - ii. The Committee should recognise that any commercial organisation makes calculations on whether operations proceed or are expanded

(creating jobs) and that the costs and regulation affecting FIFO affects this.

- iii. The Committee should recognise that additional regulation in this area, particularly if not developed in engagement with employers and the industry, would be factored into commercial calculations and could take business, jobs and royalties out of Queensland.
- e. The effect of a 100% non-resident FIFO workforce on established communities; including community wellbeing, the price of housing and availability, and access to services and infrastructure;
 - i. The Committee should recognise the diversity of circumstances across the Queensland industry, and the lack of clarity in what should and should not be considered a FIFO operation proximate to a major population centre.
 - ii. Considerable care needs to be taken in generalising on these matters, with some FIFO operations quite removed from an impact on the closest major population centres.
 - iii. The Committee also needs to avoid inadvertently commodifying labour, and treating people as inherently interchangeable. The evolution of the resources industry has been towards more and more specialised and technical skill, and greater education and certification requirements. It cannot be assumed that operations, even those close to population centres, can be fully staffed without FIFO.
 - iv. The Committee should also take into account the positive impacts for regional communities of having FIFO operations in their areas, including the support resource companies provide for community wellbeing and services and infrastructure.
- f. The quality of housing provided in accommodation villages for FIFO workforces.
 - i. The Committee should recognise the substantial investment resource employers make in ensuring amenities (including food and housing etc.) in FIFO operations are first rate.
 - ii. We know of no evidence to conclude otherwise, and isolated allegations and unsubstantiated claims cannot provide a valid basis to make negative conclusions on this issue.
 - iii. We are unsure whether the Committee has visited any FIFO worksites during the course of this inquiry, but in the absence of doing so, it would seem problematic to reach any conclusion on the quality of housing in accommodation villages.

- g. Strategies to optimise the FIFO experience for employees and their families, communities and industry;
 - i. The industry is driving initiatives in this area. The industry undertakes substantial work to ensure the FIFO experience for employees and their families, communities is a positive one.
 - ii. This should be recognised in the Committee's conclusion and inform any recommendations.
- h. The commuting practices for FIFO workforces, including the amount of time spent travelling, the methods of transportation, and adequacy of compensation paid for commuting travel times:
 - i. The Committee should recognise the impossibility of generalising on this; people come from a wide variety of areas to travel to a wide variety of FIFO operations throughout the State. Some will have short commutes, and some long – and indeed we know anecdotally of some people willing and presenting for work with very long commutes across state boundaries.
 - ii. In the absence of a significant and targeted study, the Committee could not make reliable conclusions on “the amount of time spent travelling”.
 - iii. Explicit or separate “compensation paid for commuting travel times” is an industrial relations matter, and will be payable under some agreements and not under others. However, we urge the Committee to take into account the overall remuneration of FIFO workers compared to those in comparable occupations in the general community, and the inherent premium being paid for FIFO working.
 - iv. The Committee might also usefully recall that Queenslanders are working in the WA, NT and NSW resource industries, commuting for work and bringing income into the Queensland economy.
- i. The effectiveness of current responses to impacts of FIFO workforces of the Commonwealth, State and Local Governments:
 - i. The Committee should be very cautious in treating FIFO as a ‘problem’ to be addressed or remediated, and in assuming it is something that needs to be responded to.
 - ii. This is employment which is undertaken entirely lawfully and which provides higher than average levels of remuneration. Significant efforts are expended to support and engage with local communities.

- iii. The Committee should conclude that governments are currently engaging with FIFO work entirely adequately, and that there is nothing in this work practice that warrants additional government response.
- j. Any other related matter.
 - i. We urge the Committee to take natural justice into account in relying on considerations other than those in the published terms of reference in making any recommendations for regulation or intervention in this area.
 - ii. If a party appearing before the Committee has raised a novel or fresh consideration which is of significance and which it is considered should give rise to a conclusion, then this should be opened for wider comment and response. If necessary a final report could include a recommendation to invite submissions to the Department/Minister on such an issue.
 - iii. It would be particularly problematic to impose additional regulation on employers or operators of FIFO operations based on ideas and concerns that have not been raised with them.

How to proceed

- 100. Were The Committee mindful to make recommendations, including recommendations that would have or which may have a material effect on doing business or employment in the industry, it should recommend or the Minister should take steps to ensure these recommendations are opened for public comment prior to the Queensland government or any member of the Queensland parliament seeking to incorporate them into either legislation or regulation.
- 101. We call on the parliament and government to properly canvass any new measures which arise for consideration following this inquiry, prior to pursuing them.